

CIRCULAR LETTER: DHCQ 03-10-435

TO: Hospice Administrators
FROM: Paul I. Dreyer, Ph.D., Director
RE: Amendments to Hospice Program Licensure Regulations (105 CMR 141.000) and the Hospice Inpatient Facility Application Process
DATE: October 24, 2003

Background

In August 2002, Chapter 283 of the Acts of 2002 was signed into law (see Attachment A). Chapter 283 amended Massachusetts General Laws, Chapter 111, section 57D, which governs the licensure of hospice programs. The amendments included language that directed the Department to establish regulations to license up to six inpatient hospice facilities directly owned and operated by a hospice program. The Department, through the Hospice Work Group, developed draft amendments to the Hospice Program Licensure Regulations (105 CMR 141.000). A public hearing was conducted on July 30, 2003 and the Department accepted written comments through August 6, 2003. Based on the comments received, the Department revised the amendments and presented them to Public Health Council for approval on September 23, 2003.

The effective date of the amendments is October 10, 2003. The amendments include standards for hospice inpatient facilities as well as additional revisions to the regulations that were last revised 15 years ago. A copy of the Memorandum to the Public Health Council and the regulations, with the amendments highlighted, is available on the Department's website at <http://www.state.ma.us/dph/dhcq/hcqskel.htm>. The Department will forward a final copy of the revised hospice licensure regulations to all licensed hospice programs when it is available from the Secretary of State's Office.

Beginning January 8, 2004, the Department will accept applications for hospice inpatient facilities directly owned and operated by a hospice program. The application requirements are described below. In November 2006, the Department will review the experience of the approved hospice inpatient facilities and determine whether there should be additional or fewer hospice inpatient facilities directly owned and operated by a hospice program.

Hospice Inpatient Facility Application Process

Who can file an application?

Only a hospice program that has been licensed for two years prior to the effective date of these regulations (October 10, 2003) may file an application.

When can an applicant file an application?

Beginning on January 8, 2004 (90 days after the effective date of the amendments) the

Department will accept applications for hospice inpatient facilities directly owned and operated by a hospice program. The Department will continue to accept applications until six hospice inpatient facilities have been approved or until November 12, 2006, whichever is first.

What must be submitted in the application?

The applicant shall submit a letter of application that includes the following information:

1. A description of the hospice program's service area;
2. Proposed location of the hospice inpatient facility, including street address and city/town. Please indicate whether the hospice inpatient facility will be freestanding, part of a hospice residence, or share a building with another health care facility;
3. Number of hospice inpatient facility beds;
4. Schematic floor plans and a brief description of renovation or construction involved in the development of the hospice inpatient facility;
5. Estimated total cost of renovation/construction;
6. Source of funds for renovation/construction;
7. Whether the program anticipates serving pediatric patients in the hospice inpatient facility;
8. Description of the proposed inpatient population. (Are any special populations targeted, e.g., will the hospice inpatient facility target serving minorities? the under/uninsured?);
9. Projected hospice inpatient facility volume for the first 3 years of operation, and assumptions upon which those projections are made [number of patients, average length of stay (ALOS), number of patient days, etc.];
10. Projected payer mix (percent Medicare, Medicaid, other third party, and self pay);
11. Financial projections (projected income vs. expenses) for the hospice inpatient facility component of the hospice program. Include the source of additional funds during the start up period (i.e., who will make up any shortfall?) and assumptions upon which the financial projections are based, including but not limited to the projected reimbursement rate; and
12. A copy of the deed or lease agreement for the hospice inpatient facility space that shows the licensee owns the premises on which the facility will be operated or has a valid lease agreement for at least one year.

Where should the application be sent?

The letter of application should be sent to:

Nancy Murphy
Division of Health Care Quality
10 West Street, 5th fl.
Boston, MA 02111

When an application is selected as one of the six hospice inpatient facilities, what are the next steps?

When an application is selected as one of the six hospice inpatient facilities, the hospice program will be notified in writing and instructed to submit architectural plans showing proposed or as-built conditions and any related waiver requests for the hospice inpatient facility for plan approval to the Division of Health Care Quality (DHCQ). After plan approval and completion of any proposed construction, the hospice program will be instructed to schedule a licensure survey visit. Subsequent to a licensure survey visit, if it is determined that the facility meets all licensure requirements, the hospice program will receive a letter from DHCQ requesting the licensee to return its current license. DHCQ will issue an amended license that indicates the addition of the hospice inpatient facility. The term of the license will not change.

Data Collection

As part of the review of the hospice inpatient facility experience required by statute, the Department will collect data from each of the hospice inpatient facilities. This will include, but not be limited to, the annual collection of:

- Occupancy rates by month (pediatric/adult/total)
- Number of patient days by month (pediatric/adult/total)
- ALOS (pediatric/adult/total)
- Payer mix
- Special populations served (e.g., minority, under/uninsured, etc.)

If you have any questions about the application, please contact Nancy Murphy directly at (617) 753-8120.

cc D. Rigney Cunningham, Executive Director, Hospice and Palliative Care Federation of Massachusetts

An Act Relative to Licensing Hospice Programs
[Chapter 283 of the Acts of 2002](#)